



EUROPEAN COMMISSION

Education and Culture

Lifelong learning: Education and Training, Programmes and Actions
Tempus – Erasmus Mundus

GRANT AGREEMENT FOR AN ACTION WITH MULTIPLE BENEFICIARIES

AGREEMENT NUMBER – SM_SCM-C024B06-2006 (RS)

TEMPUS PROGRAMME

SM_SCM-C024B06-2006 (RS)

A.1. The action:	Network education at Faculties of Science in Serbia (NEFS)
A.2. Grant holder's name and address:	Mr Vladimir Janis University of Matej Bel Faculty of Science Department of Mathematics Tajovskeho 40 SK SK-974 01 Banská Bystrica
A.3. Maximum grant amount:	€117,015.00
A.3.1 Amount of pre-financing:	€93,612.00
A.4. Cost of action:	€124,015.00
A.5. Eligibility period:	15/06/2007-14/06/2008

We the undersigned declare that we have read and accepted the terms and conditions of this grant agreement as described hereafter, including Annexes I to VII.

SIGNATURES

For the Grant holder, the legal representative

For the Commission

[surname / forename / *function*]

Angeliki Verli – Head of Unit

Done at [place], [date]

Done at Brussels,

In duplicate, in English

The European Community (“the Community”), represented by the European Commission (“the Commission”), represented for the purposes of signature of this agreement by Ms Angeliki Verli, Head of unit, Directorate-General for Education and Culture

Of the one part,

And

The “the grant holder”, as defined in Point A.2, represented by the contact person named in point A2 and, for the purposes of signature of this agreement, by the legal representative authorised to act on its behalf

And the following “consortium members”, listed in Annex I,

Who have conferred powers of attorney for the purposes of the signature of the agreement to the representative of the grant holder,

Collectively “the beneficiaries” and each individually identified as “beneficiary” for purposes of this agreement where a provision applies without distinction to the grant holder or a consortium member

Of the other part,

Having regard to Council Decision (1999/311/EC) of 29 April 1999 adopting the third phase of the trans-European co-operation scheme for higher education (Tempus III) (2000-2006).

HAVE AGREED

The **Special Conditions, General Conditions** and **Annexes** below:

- | | |
|------------------|----------------------------------------------------------------------------------------|
| Annex I | Description of the action and list of consortium members |
| Annex II | Estimated budget of the action (comprising breakdown of expenditure and income) |
| Annex III | Technical implementation reports and financial statements to be submitted |
| Annex IV | Third party fiche |
| Annex V | Guidelines for the use of the grant |
| Annex VI | Declaration on taxation of equipment and services |
| Annex VII | Mandates conferring powers of attorney from the consortium members to the grant holder |

Which form an integral part of this agreement ("the agreement").

The terms set out in the Special Conditions shall take precedence over those in the other parts of the agreement.

The terms of the General Conditions shall take precedence over those in the Annexes.

-----*-----

I – SPECIAL CONDITIONS

ARTICLE I.1 – PURPOSE OF THE GRANT

I.1.1 The Commission has decided to award a grant, under the terms and conditions set out in the Special Conditions, the General Conditions and the Annexes to the agreement, which the beneficiaries hereby declare that they have taken note of and accept, for the action set out in Point A.1. ("the action").

I.1.2 The beneficiaries accept the grant and undertake to do everything in their power to carry out the action as described in Annex I, acting on their own responsibility.

ARTICLE I.2 - DURATION

I.2.1 The agreement shall enter into force on the date when the last of the two parties signs.

I.2.2 The action and the period of eligibility of costs are of the duration indicated in Point A.5.

ARTICLE I.3 – ROLE OF THE BENEFICIARIES

I.3.1 The grant holder shall:

- a) have full responsibility for ensuring that the action is implemented in accordance with the agreement;
- b) be the intermediary for all communication between the consortium members and the Commission in accordance with Article I.8. Any claims that the Commission might have in respect of the agreement shall be addressed to, and answered by, the grant holder, save where specifically stated otherwise in the agreement;
- c) be responsible for supplying all documents and information to the Commission which may be required under the agreement, in particular in relation to the requests for payment. The grant holder shall not delegate any part of this task to the consortium members or to any other party. Where information from the consortium members is required, the grant holder shall be responsible for obtaining and verifying this

information and for passing it on to the Commission;

d) inform the consortium members of any event of which the grant holder is aware that is liable to substantially affect the implementation of the action;

e) inform the Commission of transfers between items of eligible costs, as provided in Article I.4.4;

f) make the appropriate arrangements for providing the financial guarantee or the joint guarantee of the beneficiaries participating in the action, when requested, under the provisions of Article I.5;

g) establish the payment requests on behalf of the beneficiaries, in accordance with the agreement, the estimated eligible costs as foreseen in Annex II, and the actual costs incurred. All payments by the Commission are made to the bank account(s) referred to in Article I.7.1;

h) where designated the sole recipient of payments on behalf of all of the beneficiaries, ensure that all the appropriate payments are made to the consortium members and shall inform the Commission of the distribution of the Community financial contribution between the consortium members and of the date of transfer;

i) be responsible, in the event of audits, checks or evaluations, as described in Articles II.20 and II.6, for providing all the necessary documents, including the accounts of the consortium members, the original accounting documents and signed copies of sub-contracts, if any have been concluded by the beneficiaries in accordance with Article II.9.

I.3.2 The consortium members shall:

a) agree upon appropriate arrangements between themselves for the proper performance of the action; *The beneficiaries are deemed to have concluded an internal co-operation agreement regarding their internal operation and co-ordination. The co-operation agreement shall include all aspects necessary for the management of the beneficiaries and the implementation of the action;*

b) forward to the grant holder the data needed to draw up the reports, financial

statements and other documents provided for in the agreement including its Annexes;

c) ensure that all information to be provided to the Commission is sent via the grant holder, save where the agreement specifically stipulates otherwise;

d) inform the grant holder immediately of any event liable to substantially affect or delay the implementation of the action of which they are aware;

e) inform the grant holder of transfers between items of eligible costs, as provided in Article I.4.4;

f) provide the grant holder with all the necessary documents in the event of audits, checks of evaluations, as described in Articles II.19 and II.6;

ARTICLE I.4 – BREAKDOWN OF COSTS – FINANCING THE ACTION

I.4.1 The total cost of the action is estimated in Euro and indicated at Point A.4, as shown in the estimated budget in Annex II. The estimated budget shall give a detailed breakdown of the costs that are eligible for Community funding under the terms of Article II.14, of any other costs that the action may entail, and of all receipts, so that receipts and costs balance.

The estimated budget in Annex II shall include a table indicating the breakdown of estimated eligible costs. The table shall be agreed collectively by the beneficiaries and shall be deemed to form an integral part of the estimated budget of the agreement.

I.4.2 The total eligible costs of the action for which the Commission grant is awarded equal the total cost of the action, as shown in the estimated budget in Annex II and indicated at Point A.4.

Indirect costs are eligible for flat-rate funding of maximum 7% of the grant indicated at Point A.3, subject to the conditions laid down in Article II.14.3.

I.4.3 The Commission shall contribute an amount of 95% of the estimated total eligible costs as indicated in Article I.4.2. This funding may under no circumstances be

higher than the maximum amount indicated in point A.3.

The final amount of the grant shall be determined as specified in Article II.17, without prejudice to Article II.20. The Community grant may not finance the entire costs of the action. The amounts and sources of co-financing other than from Community funds shall be set out in the estimated budget referred to in paragraph 1.

I.4.4 By way of derogation from Article II.13, the grant holder may, in agreement with the consortium members, when carrying out the action, adjust the estimated budget by transfers between items of eligible costs, provided that this adjustment of expenditure does not affect implementation of the action and the transfer between items does not exceed 10% of the amount of each item of estimated eligible costs for which the transfer is intended, and without exceeding the total eligible costs indicated in paragraph 2. The grant holder shall inform the Commission in writing.

Above this limit of 10%, the grant holder will issue a request for amendment as specified in Article II.13.

ARTICLE I.5 – PAYMENT ARRANGEMENTS

I.5.1 Pre-financing:

Within 45 days of the latest of the following dates:

- the date when the last of the parties signs the agreement
- if required in Annex I, upon receipt of a financial guarantee an amount equivalent to the amount of pre-financing granted,

a pre-financing payment of the amount indicated in point A.3.1 shall be made to the grant holder, representing 80% of the amount specified at Point A.3.

I.5.2. Further pre-financing

Not applicable

I.5.3 Interim payment

Not applicable

I.5.4 Payment of the balance

The request for payment of the balance shall be accompanied by the final technical implementation report and financial statement, specified in Article II.15.4.

The Commission shall have 45 days to approve *or* reject the technical implementation report or to request additional supporting documents or information under the procedure laid down in Article II.15.4. In that case, the grant holder shall have 30 days to submit the additional information or a new report.

A payment representing the balance of the grant determined in accordance with Article II.17 shall be made to the grant holder within 45 days following approval by the Commission of the technical implementation report accompanying the request for payment of the balance. The Commission may suspend the period for payment in accordance with the procedure in Article II.16.2.

ARTICLE I.6 – SUBMISSION OF REPORTS AND OTHER DOCUMENTS

The provisions relating to the submission of the technical implementation reports, financial statements and other documents referred to in Article I.5 are contained in Annex III.

ARTICLE I.7 – BANK ACCOUNT

I.7.1 All payments shall be made to the grant holder's bank account or sub-account denominated in Euro as indicated in Annex IV.

I.7.2. This account or sub-account must identify the payments made by the Commission. If the funds paid to this account yield interest or equivalent benefits under the law of the State on whose territory the account is opened, such interest or benefits shall, if they are generated by pre-financing payments, be recovered by the Commission as specified in Article II.16.4.

ARTICLE I.8 – GENERAL ADMINISTRATIVE PROVISIONS

I.8.1. Any communication in connection with the agreement shall be in writing, indicating the number of the agreement, and shall be sent to the following addresses:

For the **Commission**:

Ms Angeliki Verli
Head of Unit
European Commission
Directorate General Education and Culture
Tempus – Erasmus Mundus
Office MAD0 – 15/43
B-1049 Brussels (Belgium)

Within the framework of the implementation of the present agreement, the Commission shall be assisted by the European Training Foundation for technical and administrative aspects. The grant holder undertakes to provide the European Training Foundation with relevant information for the proper execution of the administrative and technical tasks that may be entrusted to it by the Commission within the framework of the implementation of the present convention.

Within the framework of the implementation of the present agreement, the Commission may mandate activities, in particular to the National Tempus Offices in the framework of their field monitoring. The grant holder undertakes to provide these mandatories access to all project related persons, facilities and documents.

Ordinary mail shall be considered to have been received by the Commission on the date on which it is formally registered by the Commission unit responsible referred to above. Email shall be considered received on the date it is received. However, if the Contractor receives a reply asking them to redirect the email, it shall not be considered received until the correctly redirected email is received.

For the **grant holder**:

As indicated at Point A.2.

I.8.2 Any communication from the Commission to the grant holder and/or consortium members and vice versa shall be made via the grant holder, save where specifically indicated otherwise in the agreement.

ARTICLE I.9 – LAW APPLICABLE AND COMPETENT COURT

The grant is governed by the terms of the agreement, the Community rules applicable and, on a subsidiary basis, by the law of Belgium relating to grants.

The beneficiaries may appeal against decisions by the Commission concerning the application of the provisions of the agreement and the arrangements for implementing it before the Court of First Instance of the European Communities and, in the event of appeal, the Court of Justice of the European Communities.

Pecuniary actions by the Commission shall be brought, at its discretion, before the competent court of the place where either the head office or the main offices of the beneficiary are located, without prejudice to the Commission's right to adopt an enforceable decision formally establishing an amount as receivable, pursuant to Article 256 of the Treaty establishing the European Community, if the State where the beneficiary's head office or main offices are located should recognise such decisions as enforceable.

ARTICLE I.10 – FINANCIAL RESPONSIBILITY

By derogation from Article II.18, any amount claimed from a beneficiary shall not exceed the contribution it is entitled to receive according to the agreement.

ARTICLE I.11 – DATA PROTECTION

All personal data contained in the agreement, including its execution, or related to it shall be processed in accordance with Regulation (EC) No 45/2001 of the European Parliament and of the Council on the protection of individuals with regard to the processing of personal data by the Community institutions and bodies and on the free movement of such data. Such data shall be processed solely in connection with the implementation and follow-up of the agreement by [body responsible for checking data], without prejudice to the possibility of passing the data to the bodies responsible for inspection and audit in accordance with Community legislation.

Beneficiaries may, on written request, gain access to their personal data and correct any information that is inaccurate or incomplete. Beneficiaries may lodge an appeal against the processing of their personal data with the European Data Protection Supervisor at any time.

ARTICLE I.12 - SPECIAL CONDITIONS

I.12.1 In addition to Article II.5, the grant holder shall take the necessary steps to ensure that the financial contribution of the EU is given adequate publicity. These steps must follow the rules applicable to the visibility of EC education and culture programmes as defined and published on the following websites:

http://ec.europa.eu/dgs/education_culture/publ/graphics/agencies/use_en.html

http://ec.europa.eu/dgs/education_culture/publ/graphics/agencies/reprod_en.html

I.12.2. In addition to Article II.14.2, the following costs are eligible:

- the cost of staff assigned to the action, comprising actual salaries plus social security charges and other statutory costs included in the remuneration, provided that this does not exceed the average rates corresponding to the grant holder's or the participating institutions usual policy on remuneration;
- the replacement costs for European Community academic staff and experts assigned to the action provided that they do not exceed the maximum limit defined in Annex V of the present agreement;
- staff travel costs and costs of stay for staff and experts taking part in the action, provided that they do not exceed the maximum limits defined in Annex V of the present agreement;
- for Structural Measures only, the purchase cost of equipment (new or second-hand), provided that it is purchased for the consortium members listed in Annex I and only when justified for the achievement of the objectives of the action purpose to this agreement;
- costs entailed by the printing and publishing (including in electronic form) of any information and photocopying of teaching material useful for the implementation of the project;

- other costs arising directly from requirements imposed by the agreement (inter-project coaching, external translations and external language courses, visa costs, bank charges).

I.12.3. In addition to Article II.14.4, the following costs shall not be considered eligible:

- equipment such as: furniture, motor vehicles of any kind, equipment for research and development purposes, telephones, mobile phones, alarm systems and anti-theft Systems;
- hospitality costs;
- costs related to the use of materials (computer, laboratory, library, etc.) incurred by universities, institutions, industries or companies when hosting staff;
- registration fees for courses, seminars, symposia, conferences, congresses;
- costs of premises (purchase, rent, heating, maintenance, repairs etc.). Renting of premises is only possible for specific dissemination events with prior written approval from the Commission;
- costs linked to the purchase of real estate.

I.12.4. By derogation of Article II.9.:

- the beneficiaries shall only seek competitive tenders if the amount to be contracted out exceeds the threshold of €10.000. The beneficiaries may not split the purchase of equipment or of services into smaller contracts below the threshold.
- for administrative and academic tasks, it is possible to directly subcontract individuals, industry/enterprises or institutions from any European Union Member State or from a partner country.

I.12.5. The procedure described in Annex V, General Conditions, Article 1, shall be subsidiary to Article II.11.2.

I.12.7. In addition to Article II.4. the obligations of the Commission to confidentiality extends also to the European Training Foundation and other mandatories of the Commission, in particular the National Tempus Offices.

II – GENERAL CONDITIONS

PART A – LEGAL AND ADMINISTRATIVE PROVISIONS

ARTICLE II.1 – LIABILITY

II.1.1 The beneficiaries shall be responsible for complying with any legal obligations incumbent on them.

II.1.2 The Commission shall not, in any circumstances or on any grounds, be held liable in the event of a claim under the agreement relating to any damage caused during the action's execution. Consequently, the Commission will not entertain any request for indemnity or reimbursement accompanying any such claim.

II.1.3 Except in cases of force majeure, the beneficiaries shall make good any damage sustained by the Commission as a result of the execution or faulty execution of the action.

II.1.4 The beneficiaries shall bear sole liability vis-à-vis third parties, including for damage of any kind sustained by them while the action is being carried out.

ARTICLE II.2 – CONFLICT OF INTERESTS

The beneficiaries undertake to take all the necessary measures to prevent any risk of conflicts of interests which could affect the impartial and objective performance of the agreement. Such conflict of interests could arise in particular as a result of economic interest, political or national affinity, family or emotional reasons, or any other shared interest.

Any situation constituting or likely to lead to a conflict of interests during the performance of the agreement must be brought to the attention of the Commission, in writing, without delay. The beneficiaries shall undertake to take whatever steps are necessary to rectify this situation at once. The Commission reserves the right to check that the measures taken are appropriate and may demand that the beneficiaries take additional measures, if necessary, within a certain time.

ARTICLE II.3 – OWNERSHIP/USE OF THE RESULTS

II.3.1 Unless stipulated otherwise in the agreement, ownership of the results of the action, including industrial and intellectual property rights, and of the reports and other documents relating to it shall be vested in the beneficiaries.

II.3.2 Without prejudice to Article II.3.1, the beneficiaries grant the Commission the right to make free use of the results of the action as it deems fit, provided it does not thereby breach its confidentiality obligations or existing industrial and intellectual property rights.

ARTICLE II.4 – CONFIDENTIALITY

The Commission and the beneficiaries undertake to preserve the confidentiality of any document, information or other material directly related to the subject of the agreement that is duly classed as confidential, if disclosure could cause prejudice to the other party. The parties shall remain bound by this obligation beyond the closing date of the action.

ARTICLE II.5 – PUBLICITY

II.5.1 Unless the Commission requests otherwise, any communication or publication by the beneficiaries collectively or any one of the beneficiaries individually about the action, including at a conference or seminar, shall indicate that the action has received funding from the Community.

Any communication or publication by the beneficiaries collectively or any one of the beneficiaries individually, in any form and medium, shall indicate that sole responsibility lies with the author and that the Commission is not responsible for any use that may be made of the information contained therein.

II.5.2 The beneficiaries authorise the Commission to publish the following information in any form and medium, including via the Internet:

- the beneficiaries' names and addresses,
- the subject and purpose of the grant,

- the amount granted and the proportion of the action's total cost covered by the funding.

Upon a reasoned and duly substantiated request by the grant holder, the Commission may agree to forgo such publicity if disclosure of the information indicated above would risk compromising the beneficiaries' security or prejudicing their commercial interests.

ARTICLE II.6 – EVALUATION

Whenever the Commission carries out an interim or final evaluation of the action's impact measured against the objectives of the Community programme concerned, the grant holder with the support of the consortium members undertake to make available to the Commission and/or persons authorised by it all such documents or information as will allow the evaluation to be successfully completed and to give them the rights of access specified in Article II.20.

ARTICLE II.7 – SUSPENSION

II.7.1 The grant holder, in agreement with the consortium members, may suspend implementation of the action if exceptional circumstances make this impossible or excessively difficult, notably in the event of force majeure. The grant holder shall inform the Commission without delay, giving all the necessary reasons and details and the foreseeable date of resumption.

II.7.2 If the Commission does not terminate the agreement under Article II.11.3, the beneficiaries shall resume implementation of the action as initially planned once circumstances allow and the grant holder shall inform the Commission accordingly. The duration of the action might be extended by a period equivalent to the length of the suspension. In accordance with Article II.13, a supplementary written agreement shall be concluded to extend the duration of the action and to make any amendments that may be necessary to adapt the action to the new implementing conditions.

ARTICLE II.8 – FORCE MAJEURE

II.8.1 Force majeure shall mean any unforeseeable exceptional situation or event beyond the parties' control which prevents them from fulfilling any of their obligations under the agreement, was not attributable to error or negligence on their part, and proves insurmountable in spite of all due diligence. Defects in equipment or material or delays in making them available (unless due to force majeure), labour disputes, strikes or financial difficulties cannot be invoked as force majeure by the defaulting party.

II.8.2 A party faced with force majeure shall inform the other party without delay by registered letter with advice of delivery or equivalent, stating the nature, probable duration and foreseeable effects.

II.8.3 The party faced with force majeure shall not be held in breach of his obligations under the agreement if he's prevented from fulfilling them by force majeure. The parties shall make every effort to minimise any damage due to force majeure.

II.8.4 The action may be suspended in accordance with Article II.7.

ARTICLE II.9 – AWARD OF CONTRACTS

II.9.1 If the beneficiaries have to conclude contracts in order to carry out the action and they constitute costs of the action under an item of eligible direct costs in the estimated budget, they shall seek competitive tenders from potential contractors and award the contract to the bid offering best value for money; in doing so they shall observe the principles of transparency and equal treatment of potential contractors and shall take care to avoid any conflict of interests.

II.9.2 Contracts as referred to in Article II.9.1 may be awarded only in the following cases:

- a) they may only cover the execution of a limited part of the action;
- b) recourse to the award of contracts must be justified having regard to the nature of the action and what is necessary for its implementation;

c) the tasks concerned must be set out in Annex I and the corresponding estimated costs must be set out in detail in the budget in Annex II;

d) any recourse to the award of contracts while the action is under way, if not provided for in the initial grant application, shall be subject to prior written authorisation by the Commission;

e) the beneficiaries shall retain sole responsibility for carrying out the action and for compliance with the provisions of the agreement. The beneficiaries must undertake to make the necessary arrangements to ensure that the contractor waives all rights in respect of the Commission under the agreement;

f) the beneficiaries must undertake to ensure that the conditions applicable to them under Articles II.1, II.2, II.3, II.4, II.5, II.6, II.10 and II.20 of the agreement are also applicable to the contractor.

ARTICLE II.10 – ASSIGNMENT

Claims for payments to be carried out by the Commission may not be transferred.

In exceptional circumstances, where the situation warrants it, the Commission may authorise the assignment to a third party of the agreement and payments flowing from it following a written request to that effect, giving reasons, from the grant holder in agreement with the consortium members. If the Commission agrees, it must make its agreement known in writing to the grant holder before the proposed assignment takes place. In the absence of the above authorisation, or in the event of failure to observe the terms thereof, the assignment shall not be enforceable against and shall have no effect on the Commission.

In no circumstances shall such an assignment release the beneficiaries from their obligations to the Commission.

ARTICLE II.11 – TERMINATION OF THE AGREEMENT

II.11.1 Termination by the grant holder

In duly justified cases, the grant holder, in agreement with the consortium members, may

withdraw the beneficiaries' request for a grant and terminate the agreement at any time by giving 60 days' written notice stating the reasons, without being required to furnish any indemnity on this account.

If no reasons are given or if the Commission does not accept the reasons, the agreement shall be deemed to have been terminated improperly, with the consequences set out in the fifth subparagraph of Article II.11.5.

II.11.2 Termination of the participation of a beneficiary

In duly justified cases, the grant holder may request to terminate the participation of a beneficiary by giving 60 days written notice. The grant holder shall include with any such request to the Commission the remaining beneficiaries' proposal to reallocate the tasks of that beneficiary or where relevant to nominate a replacement, the reasons for the termination of the participation and the opinion of the beneficiary whose participation is requested to be terminated.

In duly justified cases, any beneficiary may request the termination of his participation in the agreement. The request must be submitted to the Commission by the grant holder by giving 60 days written notice stating the reasons.

If no reasons are given or if the Commission does not accept the reasons, the participation shall be deemed to have been terminated improperly, with the consequences set out in the fifth subparagraph of Article II.11.5.

The termination of the participation of the beneficiary concerned shall take effect on the date of the Commission's approval. A written additional agreement shall be concluded to make any amendments necessary to adapt the action to the new implementing conditions resulting from the partial termination.

II.11.3 Termination by the Commission

The Commission may decide to terminate the agreement or the participation of any one or several beneficiaries participating in the action without any indemnity on its part, in the following circumstances:

a) in the event of a legal, financial, technical, organisational or ownership change

in a beneficiary's situation that is liable to affect the agreement substantially or to call into question the decision to award the grant;

b) if a beneficiary fails to fulfil a substantial obligation incumbent on him under the terms of the agreement, including its annexes;

c) in the event of force majeure, notified in accordance with Article II.8, or if the action has been suspended as a result of exceptional circumstances, notified in accordance with Article II.7;

d) if a beneficiary is declared bankrupt, is being wound up or is the subject of any other similar proceedings;

e) if a beneficiary is found guilty of an offence involving his professional conduct by a judgment having the force of *res judicata* or if he is guilty of grave professional misconduct proven by any justified means;

f) if a beneficiary is guilty of misrepresentation or submits information or reports inconsistent with reality to obtain the grant provided for in the agreement;

g) if a beneficiary has intentionally or by negligence committed a substantial irregularity in performing the agreement or in the event of fraud, corruption or any other illegal activity on the part of a beneficiary to the detriment of the European Communities' financial interests. A substantial irregularity consists of any infringement of a provision of an agreement or regulation resulting from an act or an omission on the part of a beneficiary which causes or might cause a loss to the Community budget.

II.11.4 Termination procedure

The procedure is initiated by registered letter, with advice of delivery or equivalent. The grant holder shall ensure that all beneficiaries are duly informed.

In the cases referred to in points (a), (b) and (d) of Article II.11.3, the grant holder, in consultation with the consortium members, shall have 30 days to submit observations and take any measures necessary to ensure continued fulfilment of the beneficiaries' obligations under the agreement. If the Commission fails to confirm acceptance of these observations by giving written approval

within 30 days of receiving them, the procedure shall continue to run.

Where notice is given, termination shall take effect at the end of the period of notice, which shall start to run from the date when notification of the Commission's decision to terminate the agreement or the participation of a beneficiary is received.

Where notice is not given in the cases referred to in points (c), (e), (f) and (g) of Article II.11.3, termination shall take effect from the day following the date on which notification of the Commission's decision to terminate the agreement or the participation of a beneficiary is received.

II.11.5 Effects of termination

In the event of termination of the agreement, payments by the Commission shall be limited to the eligible costs actually incurred by the beneficiaries up to the date when termination takes effect, in accordance with Article II.17. Costs relating to current commitments that are not due to be executed until after termination shall not be taken into account.

The grant holder shall have 60 days from the date when termination of the agreement takes effect, as notified by the Commission, to produce a request for final payment in accordance with Article II.15.4. If no request for final payment is received within this time limit, the Commission shall not reimburse the expenditure incurred by the beneficiaries up to the date of termination and it shall recover any amount if its use is not substantiated by the technical implementation reports and financial statements approved by the Commission.

Where termination affects the participation of a beneficiary, only those eligible costs actually incurred by the beneficiary concerned up to the date when termination of his participation takes effect, in accordance with Article II.17 shall be considered eligible. Costs relating to current commitments that were not due to be executed until after termination shall not be taken into account. The request for payment of the eligible costs incurred up to the date when the termination of the participation of the beneficiary concerned takes effect shall be included in the following payment request due according to the schedule laid down in Article I.6.

By way of exception, at the end of the period of notice referred to in Article II.11.4, where the Commission is terminating the agreement on the grounds that the grant holder has failed to produce the final technical implementation report and financial statement within the deadline stipulated in Article I.5 and the grant holder has still not complied with this obligation within two months following the written reminder sent by the Commission by registered letter with advice of delivery or equivalent, the Commission shall not reimburse the expenditure incurred by the beneficiaries up to the date on which the action ended and it shall recover any amount if its use is not substantiated by the technical implementation reports and financial statements approved by the Commission.

By way of exception, in the event of improper termination of the agreement by the grant holder, or a beneficiary's participation in the action, or termination by the Commission on the grounds set out in points (e), (f) or (g) of Article II.11.3, the Commission may require the partial or total repayment of sums already paid under the agreement on the basis of technical implementation reports and financial statements approved by the Commission, in proportion to the gravity of the failings in question and after allowing the grant holder, and where relevant consortium members concerned, to submit their observations.

ARTICLE II.12 – FINANCIAL PENALTIES

By virtue of the Financial Regulation applicable to the general budget of the European Communities, any one or several of the beneficiaries declared to be in grave breach of their obligations under the agreement shall be liable to financial penalties of between 2% and 10% of the value of their share of the grant in question, with due regard for the principle of proportionality.

This rate may be increased to between 4% and 20% in the event of a repeated breach in the five years following the first. The beneficiary concerned shall be notified in writing of any decision by the Commission to apply such financial penalties.

ARTICLE II.13 – SUPPLEMENTARY AGREEMENTS

II.13.1 Any amendment to the grant conditions must be the subject of a written supplementary agreement. No oral agreement may bind the parties to this effect.

II.13.2 The supplementary agreement may not have the purpose or the effect of making changes to the agreement which might call into question the decision awarding the grant or result in unequal treatment of applicants.

II.13.3 Where the request for amendment is made by the grant holder, in agreement with the consortium members, he must send the request to the Commission in good time before it is due to take effect and at all events one month before the closing date of the action, except in cases duly substantiated by the grant holder and accepted by the Commission.

PART B – FINANCIAL PROVISIONS

ARTICLE II.14 – ELIGIBLE COSTS

II.14.1 To be considered as eligible costs of the action, costs must satisfy the following general criteria:

- they must be connected with the subject of the agreement and they must be provided for in the estimated budget annexed to it;
- they must be necessary for performance of the action covered by the agreement;
- they must be reasonable and justified and they must accord with the principles of sound financial management, in particular in terms of value for money and cost-effectiveness;
- they must be generated during the lifetime of the action as specified in Article I.2.2 of the agreement;
- they must be actually incurred by the beneficiaries, be recorded in their accounts in accordance with the applicable accounting principles, and be declared in accordance with the requirements of the applicable tax and social legislation;
- they must be identifiable and verifiable.

The beneficiary's internal accounting and auditing procedures must permit direct reconciliation of the costs and revenue declared in respect of the action with the

corresponding accounting statements and supporting documents.

II.14.2 The eligible direct costs for the action are those costs which, with due regard for the conditions of eligibility set out in Article II.14.1, are identifiable as specific costs directly linked to performance of the action and which can therefore be booked to it direct. In particular, the following direct costs are eligible provided that they satisfy the criteria set out in the previous Article II.14.1:

- the cost of staff assigned to the action, comprising actual salaries plus social security charges and other statutory costs included in the remuneration, provided that this does not exceed the average rates corresponding to the beneficiary's usual policy on remuneration;
- travel and subsistence allowances for staff taking part in the action, provided that they are in line with the beneficiary's usual practices on travel costs or do not exceed the scales approved annually by the Commission;
- the purchase cost of equipment (new or second-hand), provided that it is written off in accordance with the tax and accounting rules applicable to the beneficiary and generally accepted for items of the same kind. Only the portion of the equipment's depreciation corresponding to the duration of the action and the rate of actual use for the purposes of the action may be taken into account by the Commission, except where the nature and/or the context of its use justifies different treatment by the Commission;
- costs of consumables and supplies, provided that they are identifiable and assigned to the action;
- costs entailed by other contracts awarded by a beneficiary for the purposes of carrying out the action, provided that the conditions laid down in Article II.9 are met;
- costs arising directly from requirements imposed by the agreement (dissemination of information, specific evaluation of the action, audits, translations, reproduction, etc.), including the costs of any financial services (especially the cost of financial guarantees). Such costs may also include specific costs incurred by the grant holder for fulfilling his responsibilities in his capability of the body responsible for the overall management of the action and the co-ordination of the beneficiaries.

II.14.3 The eligible indirect costs for the action are those costs which, with due regard for the conditions of eligibility described in Article II.14.1, are not identifiable as specific costs directly linked to performance of the action which can be booked to it direct, but which can be identified and justified by the grant holder or a consortium member using their accounting system as having been incurred in connection with the eligible direct costs for the action. They may not include any eligible direct costs.

By way of derogation from Article II.14.1, the indirect costs incurred in carrying out the action may be eligible for flat-rate funding fixed at not more than 7% of the total eligible direct costs. If provision is made in Article I.4.2 for flat-rate funding in respect of indirect costs, they need not be supported by accounting documents.

II.14.4 The following costs shall not be considered eligible:

- return on capital;
- debt and debt service charges;
- provisions for losses or potential future liabilities;
- interest owed;
- doubtful debts;
- exchange losses;
- VAT, unless the beneficiary can show that he is unable to recover it;
- costs declared by a beneficiary and covered by another action or work programme receiving a Community grant;
- excessive or reckless expenditure.

II.14.5 Contributions in kind shall not constitute eligible costs. However, the Commission can accept, in duly substantiated exceptional cases, that the co-financing of the action referred to in Article I.4.3 should be made up entirely or in part of contributions in kind. In this case, the value calculated for such contributions must not exceed:

- the costs actually borne and duly supported by accounting documents of the third parties who made these contributions to the beneficiary free of charge but bear the corresponding costs;
- the costs generally accepted on the market in question for the type of contribution concerned when no costs are borne.

Contributions involving buildings shall not be covered by this possibility.

In the case of co-financing in kind, a financial value shall be placed on the contributions and the same amount will be included in the costs of the action as ineligible costs and in receipts from the action as co-financing in kind. The beneficiaries shall undertake to obtain these contributions as provided for in the agreement.

II.14.6 By way of derogation from Article II.14.3, indirect costs shall not be eligible under a grant for an action awarded to a beneficiary who already receives an operating grant from the Commission during the period in question.

ARTICLE II.15 – REQUESTS FOR PAYMENT

Payments shall be made in accordance with Article I.5 of the Special Conditions.

II.15.1 Pre-financing

Pre-financing is intended to provide the beneficiaries with a float.

Where required by the provisions of Article I.5 on pre-financing, the grant holder shall furnish a financial guarantee from a bank or an approved financial institution established in one of the Member States of the European Union.

The guarantor shall stand as first call guarantor and shall not require the Commission to have recourse against the principal debtor.

The financial guarantee shall remain in force until final payments by the Commission match the proportion of the total grant accounted for by pre-financing. The Commission undertakes to release the guarantee within 60 days following that date.

II.15.2 Further pre-financing payments

Where pre-financing is divided into several instalments, the grant holder may request a further pre-financing payment once the percentage of the previous payment specified in the provisions of Article I.5 on further pre-financing has been used up. The request shall be accompanied by the following documents:

- a detailed statement of the eligible costs actually incurred;
- where required by the above-mentioned provisions of Article I.5, a financial guarantee in accordance with Article II.15.1;
- where required by the above-mentioned provisions of Article I.5, an external audit report on the action's accounts. The external audit shall be carried out by an independent body or expert officially authorised to carry out audits of accounts;
- any other documents in support of his request that may be required in support of the request for further pre-financing payments.

The documents accompanying the request for payment shall be drawn up in accordance with the relevant provisions in Article I.6 and the annexes.

II.15.3 Interim payments

Interim payments are intended to reimburse the beneficiaries for expenditure on the basis of a detailed statement of the costs incurred, once the action has reached a certain level of completion. It may clear all or part of any pre-financing.

By the appropriate deadline indicated in Article I.6, the grant holder shall submit a request for interim payment accompanied by the following documents:

- an interim report on implementation of the action;
- an interim financial statement of the eligible costs actually incurred, following the structure of the estimated budget,;
- where required by the provisions of Article I.5 on interim payment, an external audit report on the action's accounts. The external audit shall be carried out by an independent body or expert officially authorised to carry out audits of accounts. The purpose of the audit is to certify that the financial documents submitted to the Commission by the grant holder comply with the financial provisions of the agreement, that the costs declared are the actual costs, and that all receipts have been declared.

The documents accompanying the request for payment shall be drawn up in accordance with the relevant provisions in Article I.6 and the annexes. If an external audit of the action's accounts is not required, the grant holder shall

certify that the financial documents submitted to the Commission comply with the financial provisions of the agreement, that the costs declared are the actual costs, and that all receipts have been declared.

On receipt of these documents, the Commission shall have the period specified in Article I.5 in order to:

- approve the interim report on implementation of the action;
- ask the grant holder for supporting documents or any additional information it deems necessary to allow the approval of the report;
- reject the report and ask for the submission of a new report.

Failing a written reply from the Commission within the time limit for scrutiny indicated above, the report shall be deemed to have been approved. Approval of the report accompanying the request for payment shall not imply recognition of their regularity or of the authenticity, completeness and correctness of the declarations and information they contain.

Requests for additional information or a new report shall be notified to the grant holder in writing. The grant holder shall have the period laid down in Article I.5 to submit the information or new documents requested.

If additional information is requested, the time limit for scrutiny shall be extended by the time it takes to obtain this information.

Where a report is rejected and a new report requested, the approval procedure described in this article shall apply.

In the event of renewed rejection, the Commission reserves the right to terminate the agreement by invoking Article II.11.3 (b).

II.15.4 Payment of the balance

Payment of the balance, which may not be repeated, is made after the end of the action on the basis of the costs actually incurred by the beneficiaries in carrying out the action. It may take the form of a recovery order where the total amount of earlier payments is greater than the amount of the final grant determined in accordance with Article II.17.

By the appropriate deadline indicated in Article I.6, the grant holder shall submit a

request for payment of the balance accompanied by the following documents:

- a final report on the implementation of the action;
- a final financial statement of the eligible costs actually incurred, following the structure of the estimated budget;
- a full summary statement of the receipts and expenditure of the action;
- where required by the provisions of Article I.5.4 on payment of the balance, an external audit report on the action's accounts. The external audit shall be carried out by an independent body or expert officially authorised to carry out audits of accounts. The purpose of the audit is to certify that the financial documents submitted to the Commission by the grant holder comply with the financial provisions of the agreement, that the costs declared are the actual costs and that all receipts have been declared.

The documents accompanying the request for payment shall be drawn up in accordance with the provisions of Article I.6 and the annexes. If an external audit of the action's accounts is not required, the grant holder shall certify that the financial documents submitted to the Commission comply with the financial provisions of the agreement, that the costs declared are the actual costs and that all receipts have been declared.

On receipt of these documents, the Commission shall have the period specified in Article I.5 in order to:

- approve the final report on implementation of the action;
- ask the grant holder for supporting documents or any additional information it deems necessary to allow the approval of the report;
- reject the report and ask for the submission of a new report.

Failing a written reply from the Commission within the time limit for scrutiny indicated above, the report shall be deemed to have been approved. Approval of the report accompanying the request for payment shall not imply recognition of their regularity or of the authenticity, completeness and correctness of the declarations and information they contain.

Requests for additional information or a new report shall be notified to the grant holder in writing. The grant holder shall have the period laid down in Article I.5 to submit the information or new documents requested.

If additional information is requested, the time limit for scrutiny shall be extended by the time it takes to obtain this information.

Where a report is rejected and a new report requested, the approval procedure described in this article shall apply.

In the event of renewed rejection, the Commission reserves the right to terminate the agreement by invoking Article II.11.3 (b).

ARTICLE II.16 – GENERAL PROVISIONS ON PAYMENTS

II.16.1 Payments shall be made by the Commission in Euro. Any conversion of actual costs into Euro shall be made at the daily rate published in the Official Journal of the European Union or, failing that, at the monthly accounting rate established by the Commission and published on its website applicable on the day when the payment order is issued by the Commission, unless the Special Conditions of the agreement lay down specific provisions.

Payments by the Commission shall be deemed to be effected on the date when they are debited to the Commission's account.

II.16.2 The Commission may suspend the period for payment laid down in Article I.5 at any time by notifying the grant holder that his request for payment cannot be met, either because it does not comply with the provisions of the agreement, or because the appropriate supporting documents have not been produced or because there is a suspicion that some of the expenses in the financial statement are not eligible and additional checks are being conducted.

The Commission may also suspend its payments at any time if a beneficiary is found or presumed to have infringed the provisions of the agreement, in particular in the wake of the audits and checks provided for in Article II.20.

The Commission shall inform the grant holder of any such suspension by registered letter with advice of delivery or equivalent.

Suspension shall take effect on the date when notice is sent by the Commission. The remaining payment period shall start to run again from the date when a properly constituted request for payment is registered, when the supporting documents requested are received, or at the end of the suspension period as notified by the Commission.

II.16.3 On expiry of the period for payment specified in Article I.5, and without prejudice to Article II.16.2, the grant holder may, within two months following the date of receipt of a late payment, request payment of interest on the late payment at the rate applied by the European Central Bank for its main refinancing operations in euros, plus three and a half points; the reference rate to which the increase applies shall be the rate in force on the first day of the month of the final date for payment, as published in the C series of the Official Journal of the European Union. This provision shall not apply to recipients of a grant which are public authorities of the Member States of the European Union.

Interest on late payment shall cover the period from the final date for payment, exclusive, up to the date of payment as defined in Article II.16.1, inclusive. The interest shall not be treated as a receipt for the action for the purposes of determining the final grant within the meaning of Article II.17.4. The suspension of payment by the Commission may not be considered as late payment.

II.16.4 The grant holder shall inform the Commission of the amount of any interest or equivalent benefits yielded by the pre-financing received from the Commission. Notification must be made annually if the interest in question represents a significant amount, and in any event when the request is made for interim payment or for payment of the balance that clears the pre-financing. The interest shall not be treated as a receipt for the action within the meaning of Article II.17.4. The Commission shall issue a recovery order in respect of it in accordance with Article II.18.

II.16.5 The grant holder shall have two months from the date of notification by the

Commission of the final amount of the grant determining the amount of the payment of the balance or the recovery order pursuant to Article II.17, or failing that of the date on which the payment of the balance was received, to request information in writing on the determination of the final grant, giving reasons for any disagreement. After this time such requests will no longer be considered. The Commission undertakes to reply in writing within two months following the date on which the request for information is received, giving reasons for its reply. This procedure is without prejudice to the beneficiaries' right to appeal against the Commission's decision pursuant to Article I.9. Under the terms of Community legislation in this matter, such appeals must be lodged within two months following the notification of the decision to the applicant or, failing that, following the date on which the applicant learned of the decision.

ARTICLE II.17 – DETERMINING THE FINAL GRANT

II.17.1 Without prejudice to information obtained subsequently pursuant to Article II.20, the Commission shall adopt the amount of the final payment to be granted to the beneficiaries on the basis of the documents referred to in Article II.15.4 which it has approved.

II.17.2 The total amount paid by the Commission may not in any circumstances exceed the maximum amount of the grant laid down in Article I.4.3, even if the total actual costs eligible exceed the estimated total eligible costs specified in Article I.4.2.

II.17.3 If the actual eligible costs when the action ends are lower than the estimated total eligible costs, the Commission's contribution shall be limited to the amount obtained by applying the Community grant percentage specified in Article I.4.3 to the actual eligible costs approved by the Commission.

II.17.4 The beneficiaries hereby agree that the grant shall be limited to the amount necessary to balance the action's receipts and expenditure and that it may not in any circumstances produce a profit for them.

Profit shall mean any surplus of total actual receipts attributable to the action over the total actual costs of the action. The actual receipts to be taken into account shall be those which have been established, generated or confirmed on the date on which the request for payment of the balance is drawn up by the grant holder for financing other than the Community grant, to which shall be added the amount of the grant determined by applying the principles laid down in Article II.17.2 and Article II.17.3. For the purposes of this article, only actual costs falling within the categories set out in the estimated budget referred to in Article I.4.1 and contained in Annex II shall be taken into account; non-eligible costs shall always be covered by non-Community resources.

Any surplus determined in this way shall result in a corresponding reduction in the amount of the grant.

II.17.5 Without prejudice to the right to terminate the agreement under Article II.11, and without prejudice to the right of the Commission to apply the penalties referred to in Article II.12, if the action is not implemented or is implemented poorly, partially or late, the Commission may reduce the grant initially provided for in line with the actual implementation of the action on the terms laid down in the agreement.

II.17.6 On the basis of the amount of the final payment determined in this way and of the aggregate amount of the payments already made under the terms of the agreement, the Commission shall set the amount of the payment of the balance as being the amount still owing to the beneficiaries. Where the aggregate amount of the payments already made exceeds the amount of the final grant, the Commission shall issue a recovery order for the surplus.

ARTICLE II.18 – FINANCIAL RESPONSIBILITY

The beneficiaries agree to be irrevocably and unconditionally, jointly and severally responsible for any amount due to the Commission by one of them which could not be honoured by the latter. The amount due to the Commission will not exceed the maximum value of the contribution that could be granted

to the beneficiaries in accordance with Article I.4.3, increased where applicable by interest on late payment.

The beneficiaries are not jointly responsible for financial penalties which could be imposed on any defaulting beneficiary in accordance with Article II.12.

ARTICLE II.19 – RECOVERY

II.19.1 Where an amount, paid by the Commission to the grant holder in his capacity of recipient of all payments, is to be recovered under the terms of the agreement, the grant holder undertakes to repay the Commission the sum in question, on whatever terms and by whatever date it may specify, even if he has not been the final recipient of the amount due. In the latter case, if payment has not been made by the due date, the Commission reserves the right to recover directly the amount due from the final recipient.

II.19.2 If the obligation to pay the amount due is not honoured by the date set by the Commission, the amount due shall bear interest at the rate indicated in Article II.16.3. Interest on late payment shall cover the period between the date set for payment, exclusive, and the date when the Commission receives full payment of the amount owed, inclusive.

Any partial payment shall first be entered against charges and interest on late payment and then against the principal.

II.19.3 Sums owed to the Commission may be recovered by offsetting them against any sums owed to the concerned beneficiary after informing him accordingly by registered letter with acknowledgment of receipt or equivalent, or, depending on the terms of the Special conditions, by calling in the financial guarantee provided in accordance with Article II.15.1. The beneficiary's prior consent shall not be required. If the recovery remains unsuccessful under the provisions above, the Commission shall hold all the beneficiaries collectively jointly responsible for the amount due in accordance with Article II.18.

II.19.4 Bank charges occasioned by the recovery of the sums owed to the Commission shall be borne by the concerned beneficiary.

II.19.5 The beneficiaries understand that under Article 256 of the Treaty establishing the European Community, the Commission may adopt an enforceable decision formally establishing an amount as receivable from persons other than States. An action may be brought against such decision before the Court of First Instance of the European Communities.

II.20 – CHECKS AND AUDITS

II.20.1 The grant holder undertakes to provide any detailed information requested by the Commission or by any other outside body authorised by the Commission to check that the action and the provisions of the agreement are being properly implemented. Where the Commission so wishes, it may request such information to be provided directly by a consortium member.

II.20.2 The beneficiaries shall keep at the Commission's disposal all original documents, especially accounting and tax records, or, in exceptional and duly justified cases, certified copies of original documents relating to the agreement, stored on any appropriate medium that ensures their integrity in accordance with the applicable national legislation, for a period of five years from the date of payment of the balance specified in Article I.5.

II.20.3 The beneficiaries agree that the Commission may have an audit of the use made of the grant carried out either directly by its own staff or by any other outside body authorised to do so on its behalf. Such audits may be carried out throughout the period of implementation of the agreement until the balance is paid and for a period of five years from the date of payment of the balance. Where appropriate, the audit findings may lead to recovery decisions by the Commission.

II.20.4 The beneficiaries undertake to allow Commission staff and outside personnel authorised by the Commission the appropriate right of access to sites and premises where the action is carried out and to all the information, including information in electronic format, needed in order to conduct such audits.

II.20.5 By virtue of Council Regulation (Euratom, EC) No 2185/96 and Regulation (EC) No 1073/1999 of the European

Parliament and the Council, the European Anti-Fraud Office (OLAF) may also carry out on-the-spot checks and inspections in accordance with the procedures laid down by Community law for the protection of the financial interests of the European Communities against fraud and other irregularities. Where appropriate, the inspection findings may lead to recovery decisions by the Commission.

II.20.6 The European Court of Auditors shall have the same rights as the Commission, notably right of access, as regards checks and audits.

-----*-----

ANNEX I

Description of the action and list of consortium members

Title: Network education at Faculties of Science in Serbia

Number of the agreement: SM_SCM-C024B06-2006 (RS)

Objective: To contribute to the actual changes in high education in Serbia, by improving specific contemporary aspects of teaching, communication and studying possibilities.

Participating institutions:

University of Matej Bel, Banská Bystrica (SK)
University of Novi Sad*, Novi Sad (RS)
Lappeenranta University of Technology, Lappeenranta (FI)
Universidad de Oviedo, Gijón (ES)
University Kragujevac*, Kragujevac (RS)
University of Belgrade*, Belgrade (RS)
University of Nis*, Nis (RS)

**: only these institutions are entitled to receive equipment purchased in the framework of this agreement.*

Participating experts:

None

Special clauses:

None

ANNEX II

Estimated budget of the action

Number of the agreement: SM_SCM-C024B06-2006 (RS)

EXPENDITURE

		€
I	STAFF COSTS	27,150.00
II	REPLACEMENT COSTS	0.00
III	STAFF TRAVEL COSTS AND COSTS OF STAY	72,915.00
IV	EQUIPMENT	8,400.00
V	PRINTING AND PUBLISHING	1,500.00
VI	OTHER COSTS	1,200.00
VII	INDIRECT COSTS	5,850.00
VIII	PROJECT EXPENDITURE OF THE BENEFICIARIES	7,000.00
A.4 TOTAL ELIGIBLE COSTS		124,015.00

INCOME

		€
I	OWN RESOURCES	7,000.00
II	A.3 MAXIMUM TOTAL TEMPUS GRANT	117,015.00
TOTAL INCOME		124,015.00

ANNEX III

Technical implementation reports and financial statements to be submitted

Number of the agreement: SM_SCM-C024B06-2006 (RS)

The implementation report, summary report for publication, financial statements and other documents must be submitted by the grant holder in the language of the grant agreement in accordance with the instructions provided in the SCM on-line Report form:

<http://ec.europa.eu/tempus>

within two months after the closing date of the action specified in Article I.2.2.

The other documents to be submitted are:

- the request for payment (see model in Annex V/III);
- the supporting documents for the staff costs declared in the financial statement (see guidelines and supporting document in Annex V);
- the supporting documents for the replacement costs declared in the financial statement (see guidelines and supporting document in Annex V);
- the supporting documents for the staff travel costs and costs of stay declared in the financial statement (see guidelines and supporting document in Annex V);
- for Structural Measures only, the supporting documents for the equipment declared in the financial statement (see guidelines in Annex V);
- the supporting documents for the printing and publishing costs declared in the financial statement (see guidelines in Annex V).

ANNEX IV

Third party fiche

Number of the agreement: SM_SCM-C024B06-2006 (RS)

(the financial identification sheets validated in ABAC/SINCOM will be attached hereafter)



12-Jun-2007

BANK ACCOUNT 0002291966

Title .
 Name MATEJ BEL UNIVERSITY
 Bank Account IBAN_ONLY
 IBAN SK7581800000007000095590

Vend/Cust VEN Head Office
 Pay. Method Bank transfers

Address
 Street NARODNA 10 Post Code 97401
 City BANSKA BYSTRICA
 Country SLOVAQUIE

Bank
 Name STATNA POKLADNICA
 Country SK
 Street
 City BRATISLAVA
 Post Code

Status VALID Confidential Flag
Blocked
Early Warning

LOCAL KEYS

Local key	Vend/Cust	Name
SI2.707465	VEN	MATEJ BEL UNIVERSITY

LEGAL ENTITY

Leg. Ent. Key	Legal Entity Name	Status
6000075309	MATEJ BEL UNIVERSITY*UNIVERZITA MAT	VALID

ANNEX V

Guidelines for the use of the grant

Number of the agreement: SM_SCM-C024B06-2006 (RS)

GENERAL CONDITIONS

1. MODIFICATION TO THE PARTICIPATING INSTITUTIONS (ANNEX I OF THE AGREEMENT)

Any proposed modification to the project consortium must be notified and requires prior approval by the Commission. The following requirements are necessary for the different modifications of the project consortium:

- Addition of a consortium member requires specific endorsement from the new member, signed by the legal representative, and acceptance letters from all other partners signed by the contact persons. These should be forwarded by the Grant holder Institution with the request.
- Withdrawal of a consortium member requires written explanation from the Grant holder Institution and a withdrawal letter from the withdrawing consortium member, signed by the legal representative. Where the minimum consortium requirements are no longer fulfilled, the Commission reserves the right to decide on the continuation of the agreement.
- Changes of contact person for the Grant holder Institution require written confirmation signed by the new contact person and by the legal representative of the Grant holder Institution and by the former contact person.

2. SUPPORTING DOCUMENTS

2.1. Readable copies of all supporting documents have to be sent within 10 days of the submission online of the Final report on the action's implementation and financial statement. The said supporting documents are the only ones which will be taken into consideration.

2.2. Submission of the required supporting documents is an integral part of the agreement obligations and lack of presentation of one or more documents may lead to a request for reimbursement of the corresponding expenses.

BUDGETARY HEADINGS

3. STAFF COSTS

3.1. The grant may be used to cover the costs of staff for all consortium members when they are performing **administrative** or **academic** tasks which are directly necessary to the achievement of the objective of the project, and on the condition that their salary for the same tasks is not covered by another source.

Salaries and fees may not exceed local rates; this applies both to European Community and Partner Countries. Moreover, additional hours will be financed at the normal hourly rate and not at any higher rate. Staff costs should be calculated on the basis of the task performed and not on the status of the person. Indicative rates are provided on the website, <http://ec.europa.eu/tempus>. Higher rates should be clearly justified by supporting documents (salary slip).

3.2. Supporting documents to be sent with the final financial statement for the payment of the balance: duly filled in Convention (Annex V/I) for each person employed by the project or in the case of industry/enterprise or external institution a sub-contract and invoice. The Conventions must be

signed by the person concerned and signed and sealed by the responsible person in the institution where this person is normally employed. For persons who carry out both administrative and academic tasks there shall be a separate Convention for each type of activity.

4. REPLACEMENT COSTS (FOR EUROPEAN COMMUNITY MEMBER STATES ONLY)

4.1. The grant may be used to cover the cost of staff of replacing European Community academic staff and experts who are on a teaching mission/training assignment in the partner countries for a maximum uninterrupted period of 4 weeks.

4.2 Replacement costs are limited to an absolute maximum of €625 per person/per week and on the basis of a staff cost convention.

4.3 Supporting documents to be sent with the final financial statement for the payment of the balance: a confirmation of engagement from the EU institution needing the replacement for the time involved, together with a duly filled in Convention (Annex V/I) for each replacement member of staff. The Conventions must be signed by the person concerned and signed and sealed by the responsible person in the institution where this person is normally employed.

5. STAFF TRAVEL COSTS AND COSTS OF STAY

5.1. The grant awarded for staff travel costs and costs of stay is stated in Annex II.

5.2. This budget heading is intended as a contribution towards travel and costs of stay (including accommodation, subsistence and personal or health insurance) of staff participating in the project. Arrangements for personal insurance fall under the responsibility of consortium members.

5.3. Travel for research activities cannot be financed from the Tempus grant.

5.4. Beneficiaries

Only people under official contract in the consortium institutions or experts (see Annex I) may benefit from the mobility grant.

5.5. Eligible activities and maximum duration

1. Seminars (S): up to 1 week;
2. Conferences (C): up to 4 working days;
3. Training courses and workshops (TC): between 2 to 4 weeks;
4. Training visits (TV): up to 1 week;
5. Additional activities necessary for the achievement of the objective of the project, i.e. preparatory meetings (AA): no specific limit.

5.6 Eligible expenses for staff travel costs:

Travel costs cover transport at national and international level. Only actual travel costs will be paid from the grant. The following upper limits must be applied:

Plane: APEX air fare or, if this is not possible, the normal economy fare

Train: First-class rail fare

Car: Equivalent of a first-class rail fare for the same distance (maximum equivalent of one ticket per car, regardless of the number of passengers)

Coach: The costs for renting a coach for group travel

The following **maximum** in Euro applies per person and per travel:

Grants for travel cost per participant are limited to €1.000.

5.7 Eligible expenses for staff costs of stay

This budget heading is meant to provide each person participating in mobility with a daily allowance to cover costs for subsistence, accommodation, local and public transport such as bus and taxi, personal insurance (health insurance) etc.

The following **maximum** in Euro applies per person:

Grants to cover costs of stay per participant are limited to €150/day.

Except in the case of a **national law** to the contrary, consortium institutions should not suspend payment of the normal salaries of their staff during any travel in the framework of the Tempus project.

5.8 Supporting documents to be sent with the final financial statement for the payment of the balance: Individual Grant holder Report (Annex V/II) together with all copies of travel tickets. An invoice for the costs of the coach should be submitted with the final financial statement and the cost of the rent should be shared amongst the travel grant of the group. In the Individual Grant holder Report, each member of the group should report on her/his share of the renting costs.

6. EQUIPMENT (FOR STRUCTURAL MEASURES ONLY)

6.1 Only the purchase of equipment which is *directly relevant to the objectives of the project* can be considered as eligible expenditure. This *could* include, for example, books and periodicals, fax machines; photocopying machines; computers and peripherals, software; machines and equipment for teaching purposes; video-projectors (hardware) and video-presentations (software); television sets, communication lines for internet connection; access to database (libraries and electronic libraries outside the consortium); consumables needed to ensure the smooth functioning of the equipment; equipment maintenance, insurance, transport and installation costs.

Renting of equipment may be considered eligible, but only in exceptional and duly justified circumstances and in any case not exceeding the duration of the grant agreement.

6.2 Equipment is intended exclusively for the university/ies and institution/s of the partner country (as indicated with an asterisk in Annex I of the agreement) where it must be installed as soon as practically possible. The equipment must also be recorded in the inventory of the university/ies and institution/s where it is installed. This university/institution is the sole owner of the equipment.

6.3 Equipment purchased under Tempus in the Partner Countries is exempt from:

- VAT if a “Framework Agreement” (or “Financing Agreement”) signed between the respective partner country and the Commission stipulates this exemption.
- customs duties if a “Framework Agreement” (or “Financing Agreement”) signed between the respective partner country and the Commission stipulates this exemption.

Equipment purchase in the EU Member States must comply with the respective Member State’s legislation ruling the implementation of contracts with the European Commission.

NOTA BENE: the same applies for the provision of services!

6.4 A certificate is provided with the agreement (Annex VI). The relevant National Tempus Offices and Departments of Taxes and Custom Duties of the Ministry of Finance in the country of purchase can be contacted to provide the necessary information and documents.

6.5 Supporting documents to be sent with the final financial statement for the payment of the balance: invoices.

7. PRINTING AND PUBLISHING COSTS

7.1 Costs relating to printing, publishing (including in electronic form as well as web design and websites) and photocopying of teaching material and any other documentation necessary to achieve the objectives of the project should be reported under this heading.

7.2 Supporting documents to be sent with the final financial statement for the payment of the balance: invoices.

8. OTHER COSTS

8.1 This category covers any other expenses necessary for the implementation of the project which do not clearly fit into other budget headings, such as renting of premises for dissemination events with prior written approval only, inter-project coaching, visa costs, bank charges including bank guarantee charges where requested by the European Commission, external language courses and external translation services.

8.2 Supporting documents to be sent with the final financial statement for the payment of the balance: invoices, bank statements.

9. INDIRECT COSTS

9.1 Indirect costs include stationary, general photocopying, office supplies, postage and telecommunication costs directly related to the project.

9.2 The total expenses for indirect costs may not exceed 7% of the grant indicated at Point A.3 of the agreement. No supporting documentation is required. No co-financing is permitted under this heading.

10. CO-FINANCING

As laid down in Article I.4, the maximum Community contribution may not exceed 95% of the eligible costs as established on completion of the action. (In accordance with article II.17 of the agreement, the final amount of the Community grant will therefore only be determined at the end of the project.) The remaining costs, equivalent to at least 5% of the total eligible costs and identified in the estimated budget of the action contained in Annex II as VIII "PROJECT EXPENDITURE OF THE BENEFICIARIES", must be financed from sources *other* than the European Community and proof of expenditure must be provided in all cases.

Annexes

- Annex V/I Convention For Staff Costs
- Annex V/II INDIVIDUAL GRANT HOLDER REPORT for Staff Travel and Costs of stay
- Annex V/III Request For Payment

BETWEEN

hereafter referred to as "the Institution"²

AND Name :
 Address :

hereafter referred to as "the Service Provider"

THE FOLLOWING HAS BEEN AGREED:

1. The Institution is member of the consortium for the Tempus Project N°.....
2. The Institution and Service Provider agree that the Service Provider shall work on this project
 from to
 for an amount of hours and perform the following duties³:

.....

3. Under no circumstances may salaries and fees exceed local rates of the home country. Fees and salaries should be calculated on the basis of the task performed and not on the status of the person.
4. The cost to be borne by the Tempus project is calculated as follows:

Number of hours performed for the project	N°
Gross salary/fee per hour in Euro	€
Total cost borne by the Tempus project in Euro	€

5. The present convention does not alter in any way the employment conditions already existing between the Institution and the Service Provider and has been established solely for the purpose of justifying the Staff costs that the Institution will pay from the Tempus grant.

Done at on

Institution ²..... Service Provider.....

Seal of the Institution ²

¹ The reference number should correspond to the progressive number indicated in the relevant Annex of the implementation report and financial statement.
² This refers to the institution which normally employs the individual.
³ Describe duties precisely and as accurately as possible.

*To be completed in **English/French/German** by each person benefiting from a Tempus grant for mobility.
 To be returned to the project **GRANT HOLDER INSTITUTION together** with all the travel tickets.*

PERSONAL DATA

Surname : Forename :
 Age : Sex : Nationality :
 Home institution :
 Staff position/student year of study at home institution:
 Host institution(s) :

TYPE OF ACTIVITY FOR WHICH GRANT WAS RECEIVED

Tick as appropriate. In the case where more activities were combined, please list them in order of priority

S	Seminars (up to 1 week)
C	Conferences (up to 4 working days)
TC	Training courses and workshops (between 2 and 4 weeks)
TV	Training visits (1 week)
AA	Additional activities, i.e. preparatory meetings: no specific limit

TEMPUS GRANT FOR STAFF TRAVEL COSTS AND COSTS OF STAY

Exchange rate used = = **Euro**

- Amount received from the Grant holder institution

- Amount paid **IN ADVANCE** by the Grant holder institution (e.g. Travel ticket, reservation for accommodation, ...)

TOTAL TRAVEL AND COSTS OF STAY

<u>Amount in local currency</u>	<u>Amount in Euro</u>
.....
.....
.....

PERIOD SPENT ABROAD

from t

DESCRIPTION OF ACTIVITY PERFORMED

Please give detailed answers to all the relevant questions on a separate sheet.

1. What kind of preparation (for example language preparation) did you undergo, if any?
2. What kind of activities did you perform during your stay?
3. What were the results of your activities (e.g. curriculum development and teaching materials) and how will the stay affect your activities at your home institution?
4. How would you evaluate your stay (quality, suggestions, problems, etc.)?
5. Do you intend to follow-up activities performed?

SIGNATURE OF THE GRANTHOLDER

Please date and sign here as proof of receipt.

Date :

Signature :

¹ The reference number should correspond to the progressive number indicated in the relevant Annex of the implementation report and financial statement.

REQUEST FOR PAYMENT

For the attention of:

Ms Angeliki Verli
Head of Unit
Tempus – Erasmus Mundus
Lifelong Learning: Education and Training,
Programmes and Actions
Office MAD0 – 15/43
Directorate General Education and Culture
European Commission
B-1049 Brussels (Belgium)

In accordance with Articles I.5 and II.15 of the Grant agreement with the project number¹:

SCM-- 2006	
---------------------	--

I hereby request the payment of the²

- balance

I hereby **do not** request the payment of the³

- balance

Signature of the legal representative of the beneficiary institution:

¹ Please insert your project number

² Please tick the box if necessary

³ Please tick the box if necessary



EUROPEAN COMMISSION
Education and Culture

Lifelong learning: Education and Training, Programmes and Actions
Tempus – Erasmus Mundus

ANNEX VI

Declaration on taxation of equipment and services

TO WHOM IT MAY CONCERN

The European Commission confirms that the *Structural and Complementary Measure*

Number of the Agreement: SM_SCM-C024B06-2006 (RS)

Title: Network education at Faculties of Science in Serbia

having as partners the following consortium members:

University of Matej Bel, Banská Bystrica (SK)
University of Novi Sad*, Novi Sad (RS)
Lappeenranta University of Technology, Lappeenranta (FI)
Universidad de Oviedo, Gijón (ES)
University Kragujevac*, Kragujevac (RS)
University of Belgrade*, Belgrade (RS)
University of Nis*, Nis (RS)

(*: *only these institutions are entitled to receive equipment purchased in the framework of this agreement.*)

is awarded a grant in the framework of the Tempus Programme (Trans-European Cooperation Scheme for Higher Education).

Acquisition, delivery and installation of equipment and services provided for the above-mentioned consortium members in the Partner Countries are part of the Structural and Complementary Measure N° of agreement SM_SCM-C024B06-2006 (RS).

Therefore all equipment purchased and provision of services **in the Partner Countries** are exempt from taxes (including VAT), duties and charges (such as customs and import duties), if a Common Framework Agreement (“Financing Agreement”) has been signed between the European Commission and the **Partner Country**.

Equipment purchase and provision of services **in the EU Member States** must comply with the respective Member State's legislation ruling the implementation of contracts with the European Commission.

Brussels,

Angeliki Verli

Head of Unit

Directorate-General for Education and Culture



EUROPEAN COMMISSION
Education and Culture

Lifelong learning: Education and Training, Programmes and Actions
Tempus – Erasmus Mundus

ANNEX VII

MANDATE

The grant holder is deemed to conclude this mandate with the consortium members.

This template should be downloaded as a *Word* document from the Tempus website

http://ec.europa.eu/education/programmes/tempus/contractscm_en.html

[full official name] *[ACRONYM]*

[official legal form]¹

[official registration No]²

[official address in full]

[VAT number],

(“the consortium member”), *represented for the purposes of signature of this mandate by*

[name, forename and function]

of the one part,

and

[full official name] *[ACRONYM]*

[official legal form]³

[official registration No]⁴

[official address in full]

[VAT number],

(“the grant holder”), *represented for the purposes of signature of this mandate by [name, forename and function]*

of the other part,

HAVE AGREED

For the purposes of the implementation of the agreement [Title & No] between the European Commission and the grant holder,

¹ Delete if the beneficiary is a natural person or a public-sector body.

² Delete if the beneficiary is a public-sector body. (For natural persons, also indicate the number of their identity card or, failing that, of their passport or equivalent.)

³ Delete if the beneficiary is a natural person or a public-sector body

⁴ Delete if the beneficiary is a public-sector body. (For natural persons, also indicate the number of their identity card or, failing that, of their passport or equivalent.)

The following:

1. The consortium member grants power of attorney to the grant holder, to act in his name and for his account in signing the above-mentioned agreement and its possible subsequent riders with the European Commission. Accordingly, the consortium member hereby mandates the grant holder to take full legal responsibility for the implementation of such an agreement.
2. The consortium member hereby confirms that he has taken careful note of and accepts all the provisions of the above agreement with the European Commission, in particular all provisions affecting the consortium member and the grant holder. In particular, he acknowledges that, by virtue of this mandate, the grant holder alone is entitled to receive funds from the Commission and distribute the amounts corresponding to the consortium member's participation in the action.
3. The consortium member hereby agrees to do everything in his power to help the grant holder fulfil the grant holder's obligations under the above agreement. In particular, the consortium member hereby agrees to provide to the grant holder whatever documents or information may be required, as soon as possible after receiving the request from the grant holder.
4. The provisions of the above agreement, including this mandate, shall take precedence over any other agreement between the consortium member and the grant holder which may have an effect on the implementation of the above agreement between the grant holder and the Commission.
5. A copy of this mandate shall be annexed to the above agreement and shall form an integral part of it.

SIGNATURES

For the consortium member
[name/forename/function]

[signature]

Done at [place], [date]

In duplicate in English

For the grant holder
[name/forename/function]

[signature]

Done at [place], [date]